GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:2357
ANSWERED ON:15.03.2007
DEFENCE DEALS AND PROCUREMENT OF WEAPONS
Vallabbhaneni Shri Balashowry

Will the Minister of DEFENCE be pleased to state:

(a) whether any method has been adopted by the Government to speed up deals and procure weapons early;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF DEFENCE (SHRI A.K. ANTONY)

(a) to (c): A statement is enclosed.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA UNSTARRED QUESTION NO. 2357 FOR ANSWER ON 15.3.2007

Government has promulgated Defence Procurement Procedure (DPP) 2006 with effect from 1st September, 2006, to ensure expeditious procurement of the approved requirements of the Armed Forces in terms of capabilities sought and time frame prescribed.

2. Following steps have been taken in DPP-2006 to speed up the Defence Acquisition:

(i) Time frame for procurement activities has been incorporated in DPP-2006 and major deviation would be monitored at the highest level. The time frames has been prescribed in DPP-2006 to reduce internal lead time for procurements as it brings in checks and balances to avoid multi-layered examination on file and follow a path of collegiate functioning at all levels. All major decisions as per the procedure in vogue are being taken at the initiation of the case at the highest level in a time bound manner, which is aimed to reduce the overall lead time for procurement. These include:-

(a) Acceptance of Necessity

(b) Quantities to be procured

(c) Categorisation i.e. 'Buy', 'Make' or 'Buy & Make'.

(d) Single Vendor Clearance (if applicable)

(e) Offset percentages (if applicable)

(f) Detailed scope of trials

(g) Nomination of production agency in cases involving Transfer of Technology (ToT).

(ii) In order to reduce time taken at commercial negotiations and in line with the recommendation of Central Vigilance Commission, there would be no negotiations with L1 bidder in multi vendor cases.

3.The financial powers of Raksha Mantri & Finance Minister have been enhanced along with delegation of Capital Acquisition powers to the Services (upto Rs.10 crores) which would speed up the acquisition process.